

120 FERC ¶ 61,137
UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Joseph T. Kelliher, Chairman;
Sudeen G. Kelly, Marc Spitzer,
Philip D. Moeller, and Jon Wellinghoff.

Questar Pipeline Company

Docket No. RP07-457-000

ORDER ACCEPTING TARIFF SHEETS

(Issued August 6, 2007)

1. On May 18, 2007, Questar Pipeline Company (Questar Pipeline) filed revised tariff sheets¹ to its FERC Gas Tariff, First Revised Volume No. 1 (Tariff). Specifically, Questar proposes to modify the gas quality provision in section 13 of its General Terms and Conditions of its Tariff (GT&C) to establish specific cricondentherm hydrocarbon dew point (CHDP) limits for natural gas received into its system. Questar Pipeline proposed a January 1, 2008 effective date, and requested a waiver of the Commission's 30-day notice requirement. The Commission accepts the revised tariff sheets, to be effective January 1, 2008, as proposed.

I. Background

2. Natural gas is composed of a number of hydrocarbon compounds, of varying molecular weight. As it is transported and distributed, unprocessed natural gas may experience changes in temperature and pressure which cause the heavy hydrocarbons to condense into liquid form. When this happens, pipelines and other downstream equipment may experience inefficient operations and unsafe conditions. This problem is known as hydrocarbon liquid dropout, and the potential for this problem to occur can be

¹ The revised tariff sheets are Fifth Revised Sheet No. 41, Seventh Revised Sheet No. 42, Ninth Revised Sheet No. 43, Ninth Revised Sheet No. 44, Eleventh Revised Sheet No. 45, Fifteenth Revised Sheet No. 46, Third Revised Sheet No. 82 A, Second Revised Sheet No. 83, Original Sheet No. 83 A, Sixth Revised Sheet No. 84, and Original Sheet No. 205.

measured in terms of the CHDP of the gas stream in question. When the temperature sufficient to maintain the gaseous phase of a particular gas stream is plotted on a graph as a function of increasing pressure levels, a balloon-shaped curve is formed. As pressure rises from zero, the temperature necessary to maintain the gaseous state rises. However, once the pressure goes above a certain level, the temperature necessary to maintain the gaseous state starts to fall. The highest temperature on this curve is known as the CHDP of the gas stream in question.

3. Questar Pipeline states that its pipeline has undergone a series of expansions that have increased its deliveries to downstream pipelines with lower CHDP limits than the gas it receives into its own pipeline system. Additionally, interconnecting pipelines, such as Rockies Express Pipeline LLC, Wyoming Interstate Company, Ltd., Colorado Interstate Gas Company, Kern River Gas Transmission Company and Questar Overthrust Pipeline Company, have also undergone expansions affecting the operations on Questar Pipeline. Questar Pipeline states that while its system was designed to accept gas of varying CHDP levels, the changing nature of its system has made it necessary to operate its system in a more complex manner, including enhancing its liquids processing and conditioning facilities, and posting critical notices on its web site to limit its receipts of natural gas with the higher CHDP levels. It emphasizes that this ability to limit CHDP on its pipeline is critical for “dry zones” on its system, where it does not have the capability to handle free hydrocarbon liquid accumulation. Questar Pipeline states that it is making these tariff changes to allow its operations to be more reliable and well defined, such that it can continue accepting high CHDP gas into its system. Questar Pipeline avers the proposed CHDP limits are the product of historical data, detailed analysis, and meetings with its customers and that the purpose of the modifications to its tariff is to merely maintain the status quo for its system.

4. The tariff sheets submitted by Questar Pipeline set out 10 “CHDP Zones” on the Questar Pipeline system and set out CHDP limits for each of these zones. In Zones 1-9, the CHDP Limit will be 35 degrees Fahrenheit. In Zone 10, the CHDP Limit will be 15 degrees Fahrenheit. Questar Pipeline states that Zone 10 is unique because almost all of the gas it receives in that Zone is produced from coal-seam wells. This gas is primarily methane with very low CHDP temperatures averaging well below 0 degrees Fahrenheit. When operationally feasible, Questar Pipeline will post a CHDP Operating Limit to accept gas into its system that exceeds the posted CHDP Operating Limit for the respective Zone. Also, when operationally feasible, Questar Pipeline will exempt low-volume sources from the CHDP Operating Limit on a non-discriminatory basis, and accept gas into its system from those sources that exceed the CHDP Operating Limit.

II. Notice and Motions to Intervene

5. Questar Pipeline's filing was noticed on May 23, 2007, with interventions and protests due on or before June 5, 2007. Anadarko Energy Services, BP America Production Co. and BP Energy, Chevron Natural Gas, Questar Gas Company, and Conoco Phillips Company filed timely motions to intervene. No protests or adverse comments were received. Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R § 385.214 (2007), timely, unopposed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. Granting late intervention at this stage of the proceeding will not disrupt the proceeding nor place additional burdens on existing parties.

III. Commission Determination

6. The Commission finds the proposed tariff sheets to be just and reasonable. The proposal establishes 10 "CHDP Zones" on the Questar Pipeline system and the CHDP limits for each of these zones. In Zones 1-9, the CHDP Limit will be 35 degrees Fahrenheit and in Zone 10, the CHDP Limit will be 15 degrees Fahrenheit. The proposal also allows Questar Pipeline to post CHDP levels and accept gas with CHDP levels over these limits when operationally feasible.

7. Questar Pipeline's May 18, 2007 filing provided a detailed analysis, with the supporting data, for the proposed CHDP Zones and corresponding limits. The filing included (i) historical receipt and delivery volumes, pressures, and CHDP levels, (ii) current flow paths on Questar Pipeline's system, and (iii) prospective operations of Questar Pipeline's system after interconnecting expansions are placed into service.

8. In its *Policy Statement on Provisions Governing Natural Gas Quality and Interchangeability in Interstate Pipeline Company Tariffs (Policy Statement)*,² the Commission provided direction for addressing gas quality and interchangeability concerns. The *Policy Statement* states "pipeline tariff provisions on gas quality and interchangeability need to be flexible to allow pipelines to balance safety and reliability concerns with the importance of maximizing supply" and that "pipelines and their customers should develop gas quality and interchangeability specifications based on technical requirements."³

² 115 FERC ¶ 61,325 (2006).

³ Id. at P 2.

9. The Commission finds the proposed CHDP limits for the various zones to be consistent with the *Policy Statement*. As shown in Questar Pipeline's May 18, 2007 filing, Questar Pipeline followed the recommendations of Appendix B of the HDP White Paper, which sets forth the methodology for determining the appropriate CHDP for pipeline systems.⁴ For Zones 1-9, Questar Pipeline selected various points on its system where direct LDC end-users receive gas, tested the proposed CHDP limit of 35 degrees Fahrenheit, and found that for its selected operating cases all data points lie to the right of the phase envelope; therefore liquid dropout is unlikely to occur. For Zone 10, Questar Pipeline examined the historical operation and deliveries to interconnecting pipelines. Zone 10 currently operates with a de facto CHDP limit of less than 15 degrees Fahrenheit, and has no existing liquids handling facilities, such as a straddle plant. A CHDP limit of 15 degrees Fahrenheit would limit the likelihood that liquid dropout would occur. As such, the Commission finds that the proposed CHDP limits of 35 degrees Fahrenheit for Zones 1-9 and 15 degrees Fahrenheit for Zone 10 are properly supported and, consistent with the *Policy Statement*, are necessary to manage hydrocarbon liquid dropout within acceptable levels.

10. The Commission finds Questar Pipeline's proposed modification to its Tariff is consistent with the principles in the Commission's *Policy Statement* because it proposes a specific tariff-based CHDP gas-quality standard with a posting process to allow flexibility in accepting natural gas that may not meet the stated CHDP limits. We find that the proposal is adequately supported by scientific evidence.

11. Questar Pipeline stated that substantial lead time is needed to implement the proposal. Accordingly, it requested, and we grant waiver of the Commission's notice requirement set forth in 18 C.F.R. § 154.207. The revised rate sheets are accepted for filing effective January 1, 2008, as proposed.

⁴ The White Paper is a report on gas quality entitled Liquid Hydrocarbon Dropout in Natural Gas Infrastructure, submitted to the Commission by the Natural Gas Council, and referred to in the *Policy Statement*.

The Commission orders:

The tariff sheets listed in *supra* note 1 are accepted, effective January 1, 2008.

By the Commission.

(S E A L)

Nathaniel J. Davis, Sr.,
Acting Deputy Secretary.